

UK and US stock markets suffer worst day since 2008 - as it happened

Updated 9 Mar 2020: **market has suffered its worst day since the 2008 financial crisis, as shares plunge worldwide amid fears of a global downturn**

Latest: Stock markets suffer worse days since financial crisis

2,000 points wiped off the Dow

The Footsie had its worst day since 2008

Oil giants hammered as crude falls 30%

Introduction: Economists fear a global recession



Graeme Wearden

Mon 9 Mar 2020 22.18 GMT

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2020

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9 Mar 2020 22:18

Finally, today's wild markets dominate some of Tuesday's newspapers. Here's a selection:

Good night, and thanks for reading and commenting. GW

9 Mar 2020 21:48

Here's our news story on today's market rout:

Global stock markets post biggest falls since 2008 financial crisis

Global stock markets posted their steepest falls since the 2008 financial crisis on Monday after a crash in the oil price amplified concerns about the escalating economic cost of the coronavirus outbreak.

Almost £125bn was wiped off the value of the FTSE 100 in the fifth-worst day in history for the index of leading UK company shares, as it plummeted by 7.7% to finish the day below 6,000 points, its lowest level since straight after the Brexit vote in 2016.

Trading on Wall Street was frozen within minutes of the market opening as the system to buy and sell shares failed to keep pace with events. The Dow Jones closed down by more than 2,000 points for the first time ever, a decline of 7.8%.

On a day of escalating economic losses as countries scrambled to respond to the outbreak, developments included:

The number of deaths in the UK rose from three to five after victims were confirmed in Wolverhampton and St Helier, Jersey. Both were in their 70s and had underlying health conditions.

A scramble to bring home hundreds of British tourists from northern Italy was under way, even as planes continued to fly between Britain and the locked-down region.

Seven Britons tested positive after flying from London to Vietnam alongside an infected 26-year-old woman who had recently travelled to Milan and Paris.

Italian prime minister Giuseppe Conte said the coronavirus outbreak was the nation's "darkest hour".

Germany and the Republic of Ireland announced emergency funding packages worth billions of euros, with Berlin declaring that it would do "everything needed to stabilise the economy and secure jobs".

9 Mar 2020 21:17

Here's confirmation that today's rout marks the 11th anniversary of the end of the 2008-09 crash:

9 Mar 2020 21:03

Closing Market Report



The exterior of the New York Stock Exchange. Photograph: Bryan R Smith/Reuters

Right! I think it's time for a recap, as traders on Wall Street catch their breath after a shocking day of selling.

World stock markets have suffered their worst day since the global financial crisis of 2008, as fears of a global recession swell.

Hundreds of billions of dollars, euros and pounds were wiped off stocks across the world, in an alarming sell-off.

A collapse in crude prices, triggered by an oil price war, spooked markets which were already reeling from the coronavirus outbreak.

The day began with heavy losses in Asia-Pacific; Australia fell over 7%, while the Nikkei fell over 5%.

In London, the FTSE 100 plunged by 7.7% in a slump led by the energy sector. That put the Footsie into a bear market - down over 20% since January.

More than £125bn was wiped off the Footsie today, extending its recent rout, with BP (-19%) and Royal Dutch Shell (-18%) badly hit.

Other European markets plunged by around 8%, exceeding their worst losses during the debt crisis. Italy's FTSE MIB tumbled by 11%, after Rome announced plans to quarantine millions of people, as its coronavirus deaths kept rising.

Wall Street picked up the selling baton, and promptly found trading briefly **suspended** after tumbling 7% -- triggering a circuit breaker. **Once trading resumed, the main indices resumed their losses -- posting their worst day since 2008 as well.**

Tech shares, banks and energy companies all suffered badly. **Apple** fell 7.9%, **Chevron** lost 15% and **JP Morgan** declined by 13%, in a day when any risers were very rare, and volatility hit an 11-year high.

Americas >				
Name	2 Days	Last	Net Chng	% Chng
S&P 500®		2,746.56	-225.81	-7.60%
DJI®		23,851.02	-2,013.76	-7.79%
Nasdaq Composite®		7,950.68	-624.94	-7.29%
NASDAQ 100®		7,948.03	-582.31	-6.83%
S&P/TSX®		14,514.24	-1,660.78	-10.27%
BOVESPA®		86,067.20	-11,929.57	-12.17%
MXSE IPC®		38,730.56	-2,658.22	-6.42%

Europe >				
Name	2 Days	Last	Net Chng	% Chng
STXE 600®		339.50	-27.30	-7.44%
FTSE 100		5,965.77	-496.78	-7.69%
DAX®		10,625.02	-916.85	-7.94%
CAC 40®		4,707.91	-431.20	-8.39%
FTSE MIB		18,475.91	-2,323.98	-11.17%
SMI®		9,196.60	-540.22	-5.55%
AEX®		490.66	-40.63	-7.65%
IBEX®		7,708.70	-666.90	-7.96%
OMXS 30		1,542.44	-86.56	-5.31%

US and European stock markets tonight Photograph: Refinitiv

Saudi Arabia's threat to boost oil production and cut prices sent Brent crude down to just \$34 per barrel tonight, down 23% today.

Former Treasury secretary Larry Summers, demanded a co-ordinated response to address the impact of Covid-19. Analysts fear that the global economy is heading for very rocky waters due to the coronavirus crisis.

Oxford Economics has warned tonight:

From an economic perspective, the key issue is not just the number of cases of COVID-19, but the level of disruption to economies from containment measures.

Disproportionate action will weaken economic activity and potentially induce panic, increasing the chances of investment and consumer spending being delayed or scrapped.

Actions to control the spread of the virus outside China have been larger than we envisaged even a couple of weeks ago. What's more, additional restrictions are likely to be rolled out in economies that are particularly exposed to the virus, which will offset any temporary boost to demand from panic buying

We may see MORE losses in Asia and Europe tomorrow, judging by the overnight futures markets.

Here's Kyle Rodda of IG to set the scene (and perhaps give us nightmares):

Panic grips global markets: Trading conditions in global markets can appropriately be described as panicked. Already vulnerable amid the unfolding coronavirus crisis, Saudi Arabia's pledge to flood global oil markets with extra supply kicked market participants

in the guts at precisely the worst possible time. The tumble in global stock markets looks familiar to what's been experienced the last 3 weeks. But there was a difference to yesterday's sell-off. Market fundamentals have changed again, and they've changed for the worse.

Oil's plunge sparks credit risk: Oil prices were belted on Monday, plunging by as much as 30 per cent, as traders priced-in the impacts of an extra 10 million barrels per day of Saudi oil supply. The drop-in oil prices is raising concerns that highly leveraged oil companies, many of which that dominate the US junk bond market, will fall into a state of unprofitability, and lack the means to meet their debt obligations. This credit risk is rippling through corporate bond markets, and raising the chance of financial contagion....

Another day of losses for ASX200: It's setting up Australia's ASX200 for another 273 point fall according to SPI Futures. The move will come following yesterday's 7.3 per cent loss - its biggest daily loss since October 2008. The energy sector was the biggest loser, tracking the fall in the price of oil, close the day's trade 20 per cent lower. The financial sector subtracted the most from the mark in terms of points-lost. It cut 136 point from the index, as investors continue to dump banks in a falling rate environnUpdated at 9.12pm GMT

9 Mar 2020 20:47

A late newsflash: Italy is putting the entire country on lockdown!

Our main Coronavirus liveblog reports:

All of Italy will be placed under the lockdown conditions thus far imposed upon the so-called “red zone” in the north of the country, the Italian prime minister Giuseppe Conte has said.

The restrictions will include banning all public gatherings and preventing all movement other than for work and emergencies. According to the Reuters news agency, he has said the decision was necessary to protect Italy's most vulnerable citizens and that the right course of action now is for people to stay at home.

9 Mar 2020 20:45

Shares in America's tech giants have slumped today.

For so long the darlings of Wall Street, the FANG companies were firmly caught in today's rout.

Shares in Apple plunged 7.9%. Microsoft, Facebook and Alphabet each lost more than 6% and Amazon fell 5.3%.

According to CNBC, this has wiped over \$320bn of value off the stocks (or roughly twice the losses on the FTSE 100 today)/

9 Mar 2020 20:21

Today's sell-off will go down in market history as a real shocker -- along with these days to forget:

9 Mar 2020 20:12

Wall Street suffers worst day since 2008

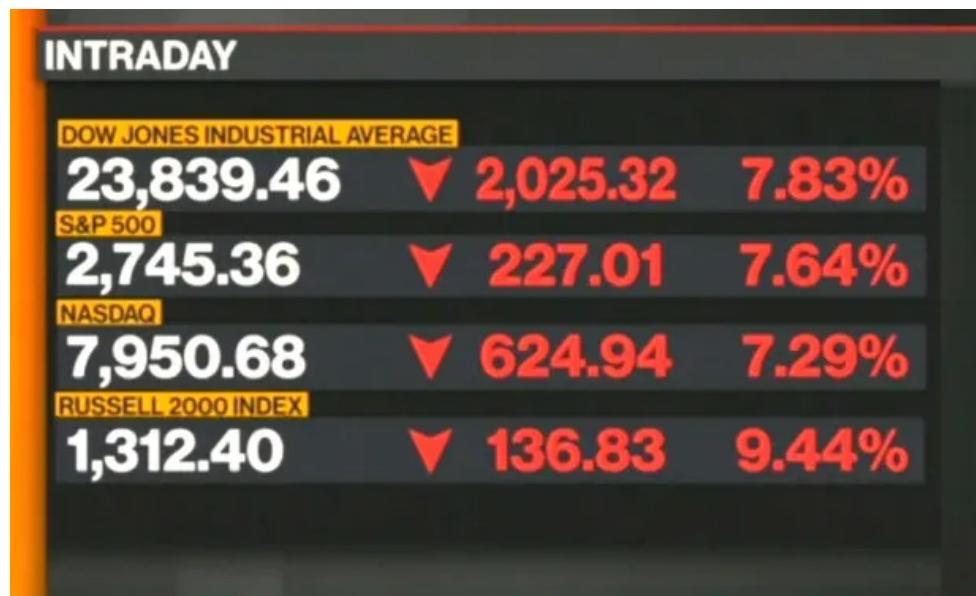
Newsflash: the US stock market has suffered its worst one-day slump since 2008, and the depths of the last financial crisis.

After a frightening day of losses, the main indices have all tumbled by over 7%.

The Dow has shed 2,000 points -- almost twice its worst daily points slump, to 23,839 points. That's a plunge of 7.8%, matching the worst days during the financial crisis over 11 years ago.

The S&P 500 also had a truly dreadful day, slumping by 7.6% or 225 points to 2,746.

Such a dramatic rout shows that Wall Street is bracing for something Very Nasty -- such as a coronavirus epidemic, a recession, and some serious financial distress among companies and households.



Photograph: Bloomberg TV

9 Mar 2020 19:57

Larry Elliott: Crash Monday' is the price of cheap money

Today's slump isn't a repeat of Black Monday in 1987. It's a lot more serious!

So argues our economics editor Larry Elliott today:

The working week began in the City of London with oil prices down by 30% and the leading barometer of UK shares registering falls of more than 8%, so it didn't take long for it to be dubbed Crash Monday.

To be sure, those with long enough memories would have been able to recall a similar market panic in October 1987, when a wave of selling began in east Asia and rolled inexorably westwards.

That, though, is about as far as the comparison goes, because the 2020 Black Monday is a lot more serious than the one 30-odd years ago. With a bit of encouragement from central banks, financial markets quickly regained their poise after the 1987 crash and resumed a long upward climb that only came to an end with the financial crisis of 2007.

It won't be nearly so simple to pull off that trick this time. For the past decade, the underlying fragility of the global economy has been masked by perpetually low interest rates. Cheap money has been the fuel for rocketing asset prices - shares and bonds in particular - but has done little to boost investment and historically weak productivity growth....

More here:

9 Mar 2020 19:48

Wall Street traders have looked particularly stressed, and positively shell-shocked, at times today as the market rout has intensified.

Here are a few pictures from the New York stock exchange:



Floor officials watching the open of the New York stock market today. Photograph: Justin Lane/EPA



Photograph: Bryan R Smith/Reuters



Photograph: Bryan R Smith/Reuters

9 Mar 2020 19:30

The recent gyrations in the US stock, bond and currency markets mean American companies face **much** tighter financial conditions.

As Lisa Abramowicz of Bloomberg points out, that means some firms will soon struggle to access funding or roll over debts, unless policymakers act.

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Newest

Oldest

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